

Nikkei FT Learning Limited

Registered Number:

10796408

Annual Report and Financial Statements

For the Year Ended:

31 December 2021

Registered address:

Bracken House, 1 Friday Street, London EC4M 9BT

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Nikkei FT Learning Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Nikkei FT Learning Limited (the "Company") for the year ended 31 December 2021.

The Company has taken exemption from preparing a Strategic Report in accordance with s414B of the Companies Act 2006 relating to small companies.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The Company acts as the development, commercialisation and operating centre of a digital English language application. The directors do not anticipate any significant change in the Company's activities in the foreseeable future.

Going concern

As detailed below and within Note 1 to the accounts, the directors have made a thorough assessment of the Company's ability to continue operating as a going concern. During 2021 the Company recorded a loss, and at the balance sheet date was in a net assets position. [Although the Company made a further loss in 2021, the loss was significantly reduced compared to the prior year. Management continues to take steps to reduce the fixed cost base of the Company and has implemented new sales strategies to drive further revenue opportunities. Management has a clear expectation that we will have adequate resources to meet our commitments as they fall due for a period of at least 12 months from the date of approval of the financial statements. In addition, a letter of support has been received from a parent company which commits to support the Company for at least one year beyond the date these financial statements are signed. As such, we continue to adopt the going concern basis of preparation.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below::

Daisuke Arakawa (reappointed on 29 March 2022)
James Lund
Diego Palencia De Sarria (resigned on 31 March 2022)
John Ridding
Yuichiro Watanabe
Christoph Jan Grau
Motohiro Matsumoto (resigned 29 March 2022)
Hidenaka Kato
Marek Kowal (appointed 31 March 2022)

Directors' insurance

During the year ended 31 December 2021, the Company maintained insurance covering the directors of the Company against liabilities arising in relation to the Company in accordance with Section 233 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 101 "Reduced Disclosure Framework"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Nikkei FT Learning Limited

DIRECTORS' REPORT (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor

Deloitte LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved and authorised for issue by the board.

DocuSigned by:

Alison Fortescue

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AM Fortescue

Company Secretary

28 September 2022.

Company registered number:

10796408

Nikkei FT Learning Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIKKEI FT LEARNING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Nikkei FT Learning Limited ('the company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 2 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Nikkei FT Learning Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIKKEI FT LEARNING LIMITED (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in revenue from learning services in relation to cut-off assertion and the procedures performed included tracing a sample of journals posted pre and post year end to supporting evidence and performing analytical procedures including third party data.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Nikkei FT Learning Limited

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIKKEI FT LEARNING LIMITED
(continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

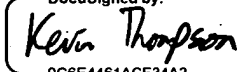
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Kevin Thompson (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Statutory Auditor
London, United Kingdom
Date: 28 September 2022

Nikkei FT Learning Limited**STATEMENT OF COMPREHENSIVE INCOME****For the year ended:****31 December 2021**

		2021	2020
	Note	£'000	£'000
Continuing operations			
Revenue	2	817	904
Other income		299	—
Cost of sales		(521)	(452)
Gross profit		595	452
Administrative expenses		(2,933)	(4,218)
Loss before taxation		(2,338)	(3,766)
Tax on loss	6	1,773	(126)
Total comprehensive expense for the year		(565)	(3,892)

The notes on pages 9 to 26 form an integral part of these financial statements.

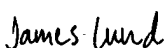
Nikkei FT Learning Limited**BALANCE SHEET****As at:****31 December 2021**

	Note	2021 £'000	Restated 2020 £'000
Non current assets			
Intangible assets	7	737	1,150
Property, plant and equipment	8	3	8
Investments	9	89	68
		829	1,226
Current assets			
Trade and other receivables	10	1,572	109
Cash at bank and in hand		617	2,991
		2,189	3,100
Trade and other payables: amounts falling due within one year	11	(500)	(1,243)
Net current assets		1,689	1,857
Total assets less current liabilities		2,518	3,083
Net assets		2,518	3,083
Capital and reserves			
Called up share capital	12	21,360	21,360
Profit and loss account		(18,842)	(18,277)
Total shareholders' funds		2,518	3,083

The notes on pages 9 to 26 form an integral part of these financial statements.

The financial statements on pages 6 to 26 were approved by the board of directors and authorised for issue on 28 September 2022. They were signed on its behalf by:

DocuSigned by:



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JD Lund
Director

Company registered number:
10796408

Nikkei FT Learning Limited**STATEMENT OF CHANGES IN EQUITY**

For the year ended:

31 December 2021

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
At 1 January 2020	14,360	(14,385)	(25)
Addition of share capital	7,000	—	7,000
Loss for the financial year	—	(3,892)	(3,892)
Total comprehensive expense for the year	—	(18,277)	(18,277)
At 31 December 2020	21,360	(18,277)	3,083
Loss for the financial year	—	(565)	(565)
Total comprehensive expense for the year	—	(565)	(565)
At 31 December 2021	12 21,360	(18,842)	2,518

The notes on pages 9 to 26 form an integral part of these financial statements.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS

**For the year ended:
31 December 2021**

1 Accounting policies

The principal accounting policies are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

Nikkei FT Learning Limited is a private company limited by shares incorporated in England, in the United Kingdom under the Companies Act 2006. The address of its registered office is Bracken House, 1 Friday Street, London, United Kingdom EC4M 9BT.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has adopted FRS 101 (Financial Reporting Standard 101 Reduced Disclosure Framework) as issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements requiring disclosure.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The Company is 75% owned by Nikkei, Inc. and 25% owned by the Financial Times Group Limited and is included in the consolidated financial statements of Nikkei Inc. which are publicly available (note 15).

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the group accounts of Nikkei Inc. which are publicly available (note 12).

No other updates or amendments to accounting standards effective this year have had a material impact on these financial statements.

Going concern

As detailed below and within Note 1 to the accounts, the directors have made a thorough assessment of the Company's ability to continue operating as a going concern. During 2021 the Company recorded a loss, and at the balance sheet date was in a net assets position. [Although the Company made a further loss in 2021, the loss was significantly reduced compared to the prior year. Management continues to take steps to reduce the fixed cost base of the Company and has implemented new sales strategies to drive further revenue opportunities. Management has a clear expectation that we will have adequate resources to meet our commitments as they fall due for a period of at least 12 months from the date of approval of the financial statements. In addition, a letter of support has been received from a parent company which commits to support the Company for at least one year beyond the date these financial statements are signed. As such, we continue to adopt the going concern basis of preparation.

Foreign currency translation

The financial statements are presented in pound sterling (£) which is also the Company's functional currency.

Transactions in currencies other than the functional currency are recorded using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not re-translated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended:

31 December 2021

1 Accounting policies (continued)

Revenue recognition

Revenue represents the value of digital licences provided to subscribers, net of value added tax and trade discounts. Revenue is recognised by reference to the period of the subscription that has been delivered to subscribers. In line with IFRS 15, at contract inception, the Company assesses the services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a service (or bundle of services) that is distinct. To identify the performance obligations the Company considers all of the services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. Revenue is recognised at the fair value of the consideration received or receivable. Remaining performance obligations represent the transaction price of contracts for work that have not yet been performed, and is recorded as deferred income on the balance sheet.

Current income tax

Current tax is recognised on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Intangible assets

(a) Goodwill

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the net assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Company does not amortise goodwill but reviews it for impairment on an annual basis or whenever there are indicators of impairment.

(b) Customer lists and trade names

Acquired intangible assets include customer lists and trade names acquired as part of business combinations and are capitalised separately from goodwill if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits attributable to the asset will flow to the Company. These assets are capitalised on acquisition at fair value. Amortisation is provided at rates calculated to write off the cost of each asset on a straight line basis over its estimated useful life as follows:

Customer lists - 10 years

Trade names - 10 years

(c) Software

Expenditure on software is capitalised when the Company is able to demonstrate all of the following: the technical feasibility of the resulting asset; the ability and intention to complete the development and use or sell it; how the asset will generate probable future economic benefits; and the ability to measure reliably the expenditure attributable to the asset during its development. Development costs which do not meet these criteria are recognised in the statement of comprehensive income as incurred and are not subsequently capitalised. Amortisation is provided at rates calculated to write off the cost of each asset on a straight line basis over its estimated useful life (3 - 5 years). The Company also reviews indicators of impairment on an annual basis.

Property, plant & equipment

Tangible fixed assets are stated at historical cost less depreciation and impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Fixtures and fittings 3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Company reviews assets for impairment on an annual basis or whenever there are indicators of impairment. The carrying value of an asset is written down to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

**For the year ended:
31 December 2021**

1 Accounting policies (continued)

Impairment of tangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment of intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Investment in subsidiaries and associated undertakings

Investments in subsidiaries and associated undertakings are held at cost less accumulated impairment losses.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provisions for bad and doubtful debts and anticipated future sales returns. In line with IFRS 9, provisions for bad and doubtful debts are based on the expected credit loss model. The 'simplified approach' is used with the expected loss allowance measured at an amount equal to the lifetime expected credit losses.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short-term investments with maturities of three months or less. Overdrafts are included in borrowings in current liabilities in the balance sheet.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Provisions

Provisions are recognised if the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions are discounted to present value where the effect is material.

Leases

Contracts with third parties for specified assets, the use of which the Company controls over a period of greater than one year and for a value in excess of £5,000, are accounted for as right of use assets which are depreciated over the shorter of the useful life of the asset or the lease term. A corresponding lease liability is recognised, unwinding over the term of the lease payments, and taking into account interest accruing on the liability.

Lease liabilities are recognised as the present value of the expected lease payments over the life of the lease, discounted using either the interest rate implicit in the lease, or in its absence the incremental borrowing rate determined by reference to the nature of the asset, the term of the lease and economic environment within which the asset is used. Right of use assets are recognised at an amount equal to the lease liability, plus any initial direct costs associated with the asset and inclusive of any estimate for the costs associated with restoration or dismantling the asset. Any subsequent lease modifications following initial recognition are taken into account when measuring the lease liability and the right of use asset.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended:

31 December 2021

1 Accounting policies (continued)

Leases (continued)

Contracts with third parties for specified assets that are for a duration of less than one year or less than £5,000 are accounted for as operating leases, with the expense charged to the profit and loss account on a systematic basis over the term of the lease.

Financial instruments

(a) Financial assets at amortised cost

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets'.

Financial instruments

(b) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Pensions

The Company pays contributions to a privately administered defined benefit pension plan on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements the directors do not consider that any matters requiring critical accounting judgements were made, or that matters involving significant uncertainty exist.

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****2 Revenue**

	2021	2020
	£'000	£'000
Continuing operations		
Digital Licenses	817	904
Total revenue	817	904

In line with IFRS 15 the Company disaggregates revenue by geographical market as shown below:

	2021	2020
	£'000	£'000
Japan	817	904
Total revenue	817	904

The Company's activities consist of development, commercialisation and operating centre of a digital English language application.

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****3 Operating loss**

Operating loss is stated after charging/(crediting):

	Note	2021 £'000	2020 £'000
Staff costs	4	1,542	2,015
Depreciation of property, plant and equipment			
- owned	8	6	19
Rent expense for leased assets within short-term or low value exemption under IFRS 16		48	—
Amortisation of intangible assets included in operating expenses:			
- internally generated	7	744	712
Impairment of intangible assets included in other operating expenses	7	—	—
Net foreign exchange loss		40	115
Audit fees payable to the Company's auditor		12	12

No fees were paid to the Company's auditor, Deloitte LLP, and its associates for services other than the statutory audit of the Company (2020: nil).

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****4 Staff costs**

	2021	2020
	£'000	£'000
Staff costs		
Wages and salaries	1,385	1,823
Social security costs	143	184
Other pension costs	14	8
	1,542	2,015

	2021	2020
	Number	Number
Average monthly number of persons employed by the Company during the year		
Management	37	25
	37	25

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****5 Directors' remuneration**

	2021	2020
Staff costs	£'000	£'000
Aggregate emoluments	412	583
Company contributions to defined contribution pension schemes	4	5
	416	588

	2021	2020
	Number	Number
	Directors	Directors
Directors accruing benefits under defined contribution schemes	2	2

	2021	2020
Highest paid director	£'000	£'000
Aggregate emoluments	259	417
Company contributions to defined contribution pension schemes	3	3
	262	420

The costs of two directors were paid by the Company as their services directly related to the Company for the year ended 31 December 2021. Two directors are contracted to and paid by a fellow group undertaking, The Financial Times Limited, which makes no recharge to the Company. The other directors are contracted to and paid by the ultimate controlling party, Nikkei Inc., which makes no recharge to the Company.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended:

31 December 2021

6 Tax on loss

	2021 £'000	2020 £'000
Current tax		
Current tax on loss for the period	(444)	128
Adjustments in respect of prior years	(1,298)	(2)
Total current tax	(1,742)	126
Foreign tax		
Current tax on income for the period	48	—
Adjustments in respect of prior periods	(79)	—
Total foreign tax	(31)	—
Total tax (credit)/charge for the year	(1,773)	126
UK standard effective rate of corporation tax (%)	19.00	19.00

The charge for the year can be reconciled to the profit in the statement of comprehensive income as follows:

	2021 £'000	2020 £'000
Loss before taxation	(2,338)	(3,766)
Tax at standard UK corporation tax rate of 19.00% (2020: 19.00%)	(444)	(716)
Effects of:		
Expenses not deductible for tax purposes	11	27
Overseas Tax	(31)	126
Unprovided deferred taxation in period	(11)	689
Adjustments in respect of prior periods	(1,298)	—
Losses surrendered as group relief	444	—
Payment for group relief	(444)	—
Total tax (credit)/charge for the year	(1,773)	126

The Company has been taxed at a statutory rate of 19.00% for the calendar year (2020: 19.00%). It was announced in the 2021 Budget that the corporation tax rate will increase to 25% from 1 April 2023. This change received Royal Assent on 10 June 2021

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****7 Intangible fixed assets**

	Software	Restated Software under development	Total
	£'000	£'000	£'000
Cost			
At 1 January 2021	2,506	494	3,000
Additions	83	248	331
Transfers	650	(650)	—
Disposals	(276)	—	(276)
At 31 December 2021	2,963	92	3,055
Accumulated amortisation and impairment			
At 1 January 2021	1,850	—	1,850
Charge for the year	744	—	744
Disposals	(276)	—	(276)
At 31 December 2021	2,318	—	2,318
Net book value			
At 31 December 2020	656	494	1,150
At 31 December 2021	645	92	737

In 2020 software in development totalling £492,000 was presented as construction in progress within the Property, plant and equipment note. The opening balances have therefore been restated to include this within the Intangible fixed assets note.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended:

31 December 2021

8 Property, plant and equipment

	Restated Construction in Progress £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2021	—	50	50
Additions	—	1	1
Transfers	—	—	—
Disposals	—	(1)	(1)
At 31 December 2021	—	50	50
Accumulated depreciation			
At 1 January 2021	—	42	42
Charge for the year	—	6	6
Disposals	—	(1)	(1)
At 31 December 2021	—	47	47
Net book value			
At 31 December 2020	—	8	8
At 31 December 2021	—	3	3

In 2020 software in development totalling £492,000 was presented as construction in progress within the Property, plant and equipment note. The opening balances have therefore been restated to include this within the Intangible fixed assets note.

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****9 Investments**

	2021	2020
	£'000	£'000
Associated undertakings and joint ventures	89	68
Total	89	68

During the year the Company made a capital injection of £21,000 into its investment in Excedo Latinamerica, Sociedad de Responsabilidad Limitada de Capital Variable.

Subsidiary	Registered office address	Class of shares held	Place of incorporation	2021 % held	2020 % held
Excedo Latinamerica, Sociedad de Responsabilidad Limitada de Capital Variable	Paseo de la Reforma 296 Oficina A 103 Piso 41, Juarez, Cuauhtemoc, 06600, Ciudad de Mexico, Mexico	Ordinary	Mexico	99 %	99 %

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****10 Trade and other receivables**

	2021	2020
	£'000	£'000
Amounts falling due within one year		
Trade receivables	82	45
Amounts owed by group undertakings:		
— immediate parent	—	—
— fellow group entities	—	6
Other taxation	29	—
Other receivables	5	29
Prepayments	12	19
Accrued Income	89	10
Corporation tax	1,355	—
Total trade and other receivables	1,572	109

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended:

31 December 2021**11 Trade and other payables**

	2021	2020
	£'000	£'000
Amounts falling due within one year		
Trade payables	39	35
Amounts owed to group undertakings:		
- fellow group entities	9	12
Corporation tax	—	74
Other payables	7	25
Accruals	224	964
Deferred income	221	133
Total trade and other payables	500	1,243

Amounts due to the Financial Times Group Limited are unsecured and repayable on demand; during the year, interest was charged at 4.72%.

Other payables represents accrued pension liabilities which were settled after the balance sheet date.

Nikkei FT Learning Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended:****31 December 2021****12 Called up share capital**

	2021	2020
	£'000	£'000
Total authorised share capital	21,360	21,360

	2021	2020	2021	2020
	Number	Number	£'000	£'000
Ordinary shares £1 each				
Allotted, called up and fully paid	21,360,000	21,360,000	21,360	21,360

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended:

31 December 2021

13 Post balance sheet events

On 23rd September 2022 the Chancellor of the Exchequer announced that the corporation tax will remain at 19% from 1 April 2023, reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1st April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balance at 31st December 2021.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended:

31 December 2021

14 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

Nikkei FT Learning Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

**For the year ended:
31 December 2021**

15 Ultimate parent undertaking

Nikkei FT Learning Limited is owned 75% by Nikkei Inc. and 25% by the Financial Times Group Limited under a joint venture agreement. The ultimate parent undertaking and controlling party is Nikkei Inc., which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Nikkei Inc. is incorporated in Japan and copies of Nikkei Inc.'s consolidated financial statements can be obtained from its registered office at Nikkei Inc., 1-3-7 Otemachi, Chiyoda-ku, Tokyo 100-8066, Japan.